

EXHIBITS FF

**REDACTED DECLARATION OF
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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

IN RE: TOYOTA MOTOR CORP.
UNINTENDED ACCELERATION
MARKETING, SALES PRACTICES, AND
PRODUCTS LIABILITY LITIGATION

This document relates to:

ALL ECONOMIC LOSS CASES

Case No.: 8:10ML2151 JVS (FMOx)

REDACTED (PREVIOUSLY FILED
UNDER SEAL) DECLARATION OF
HAJIME KITAMURA IN SUPPORT
OF (1) TOYOTA'S RESPONSE TO
CERTAIN ECONOMIC LOSS
PLAINTIFFS' MOTION FOR THE
APPLICATION OF CALIFORNIA
LAW AND (2) TOYOTA'S CROSS-
MOTION FOR CHOICE-OF-LAW
DETERMINATION AS TO ALL
ECONOMIC LOSS CASES AND
PLAINTIFFS BEFORE THIS COURT

Date: May 16, 2011
Time: 3:00 p.m.
Location: Court Room 10C
Judicial Officer: Hon. James V. Selna

DECLARATION OF HAJIME KITAMURA

I, Hajime Kitamura, declare and state as follows:

1. I started working at Toyota Motor Sales Co., Ltd. in 1981. Approximately one year later, Toyota Motor Sales Co., Ltd. and Toyota Motor Co., Ltd. merged into Toyota Motor Corporation ("TMC"), and I have been employed by TMC since that time. I have held various positions at TMC throughout my extensive tenure and have worked in a number of different departments and divisions, including the Service Department and the Customer Relations Department/Division.

2. From 1981, when I started working, to the present, I have worked in service- or quality-related departments of TMC. For the first five or six years, I worked on domestic (*i.e.*, Japanese) service-related matters. I was responsible for drafting instruction manuals for the repair and rebuilding of automatic transmission systems. In about February 1987, I transferred to the Customer Relations Department, where I was responsible for coordinating with dealerships to respond to customer complaints. Starting in January 1996, I was assigned to the Quality Division, where I was responsible for quality assurance for the Land Cruiser, RAV-4, and Ipsum.

3. Starting in 2001, I was promoted to Group Manager of the Quality Division, and was responsible for information-gathering and problem solving for the Camry, Lexus ES, the MR2, and certain front-wheel-drive vehicles. In 2004, I became a Department General Manager, responsible for oversight of information-gathering and problem solving for all passenger cars. A corporate reorganization occurred in January 2005, and the Customer Quality Engineering Division spun off from the Quality Division.

4. At around that time, in approximately January of 2005, when TMC's Customer Quality Engineering Division ("CQE-J") was organized into its own division, I became a Department General Manager in CQE-J. In that role, I am responsible for oversight of information-gathering and problem-solving for domestic

1 cars, and communicating with the Japanese Ministry of Land, Infrastructure,
2 Transport and Tourism ("MLIT"). I was also responsible for communicating with the
3 National Highway Traffic Safety Administration ("NHTSA") until June, 2010.

4 5. Given my position as a Department General Manager and my long tenure
5 with TMC, I am very knowledgeable regarding the overall responsibilities assigned to
6 and the processes utilized by the departments within CQE-J, as well as the
7 collaboration between CQE-J and other groups within TMC and other Toyota
8 companies throughout the world regarding vehicle quality decisions. Specifically, I
9 am very familiar with CQE-J's roles and function in collecting, investigating and
10 responding to quality information received from the field regarding potential quality
11 issues for Toyota, Lexus and Scion vehicles within the United States, CQE-J's
12 management of the analysis into such quality issues, and the recall decision-making
13 process.

14 6. Except where indicated to the contrary, I have personal knowledge of the
15 following facts – either based on personal recollection or my review and analysis of
16 business records kept in the ordinary course of business by myself or my staff during
17 the time period in question – and would swear and testify thereto if called as a witness.

18 7. I was a corporate deponent under Rule 30(b)(6) during Phase I of the
19 MDL litigation, and this declaration elaborates upon that testimony.

20 8. I reviewed this declaration with the assistance of a translator, Ms. Satoe
21 Ohari, fluent in Japanese and English, so that I could confirm its accuracy in my
22 native language before executing it. (The translator's declaration, stating that this
23 declaration was translated accurately, adding and omitting nothing, is attached here to
24 as Exhibit 1).

25 **General Responsibilities of CQE-J**

26 9. As used in this declaration, I define "quality issue(s)" as the issues
27 related to vehicle function and/or mandatory regulations. It does not refer to the
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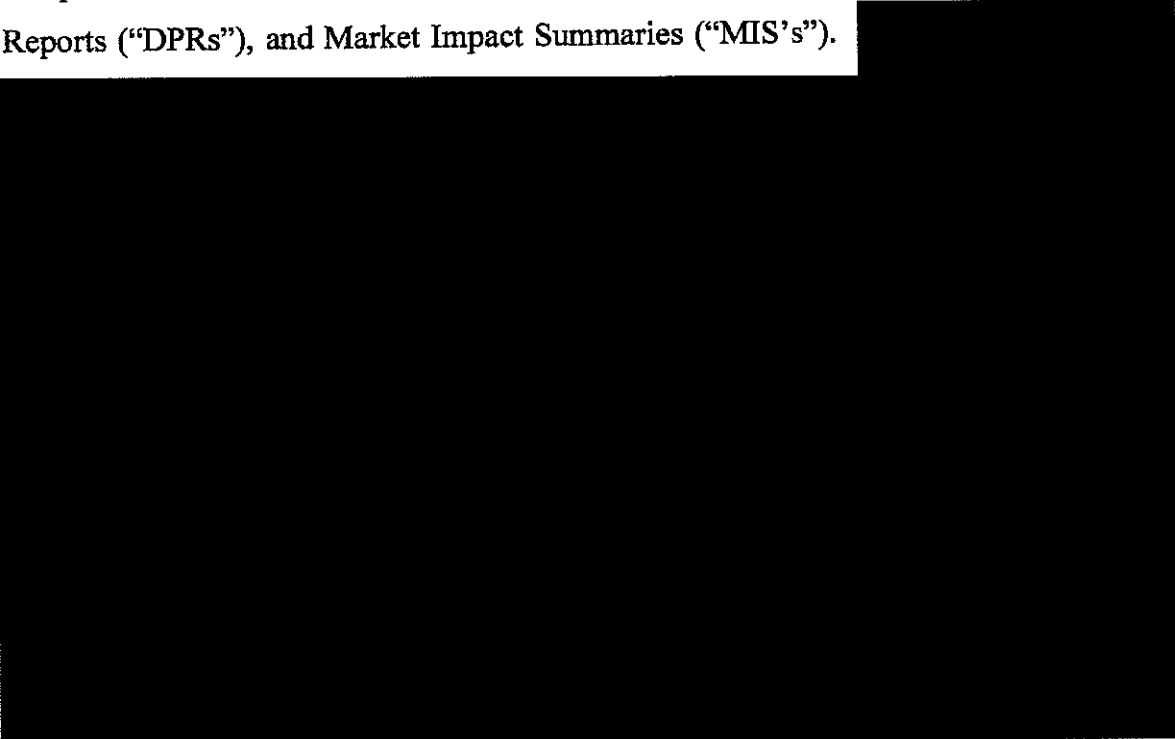
1 issues related only to merchantability, such as quality of painting, etc. Moreover, the
2 quality issues to which I am referring in this declaration relate to the claims at issue in
3 this litigation, which I understand concern the claims of unintended acceleration,
4 including but not limited to claims based on the Electronic Throttle Control System
5 ("ETCS"), in Toyota, Lexus, and Scion vehicles, and the time period from 1998
6 through March 2010.

7 10. CQE-J is one (1) of three (3) divisions within TMC's Quality Group (the
8 other two divisions are the Quality Division and the Customer Relations Division).
9 Generally, CQE-J is responsible for obtaining, investigating and responding to quality
10 information received from the field about Toyota, Lexus and Scion vehicles, including
11 the vehicles which are the subject of this litigation. Analysis of information received
12 from the field about alleged unintended acceleration (including but not limited to
13 claims based on the ETCS) is conducted primarily by CQE-J in collaboration with
14 other groups within TMC in Japan (including but not limited to groups involved in
15 design, service, and engineering functions). CQE-J is also responsible for determining
16 the approach and establishing guidelines for investigation of quality issues related to
17 alleged unintended acceleration. Further, CQE-J is primarily responsible, in
18 collaboration with other groups within TMC in Japan, for the decision-making
19 regarding necessary improvements with respect to vehicle quality issues for vehicles
20 in the field, and has had that responsibility since 2005. From 1998-2004, the
21 remainder of the time period relevant to this litigation, this role was fulfilled by
22 departments within Quality Division before the reorganization described above. For
23 simplicity, when I refer to "CQE-J" I mean to include the various portions of Quality
24 Division that had such similar functions from 1998-2004. During the relevant time
25 period, TMC was the ultimate decision-maker regarding whether and how to address
26 quality issues regarding alleged unintended acceleration, including recall decisions
27
28

1 and decisions regarding any field fix or countermeasures for issues related to alleged
2 unintended acceleration.

3 11. The field performance analysis conducted at TMC is not limited to the
4 United States. However, for purposes of this litigation, which I understand involves
5 claims arising out of vehicles sold in the United States, my declaration is focused
6 upon TMC's role regarding the vehicle quality issues being litigated in the MDL
7 during the period from 1998 through approximately March 2010, including but not
8 limited to TMC's role in collecting and analyzing field performance data, problem
9 solving and the recall decision-making process. In short, from 1998 through March
10 2010, TMC was the ultimate decision-maker for the recall decision-making process.

11 12. During the time period that I understand is relevant to this litigation,
12 TMC received information about the performance of Toyota, Lexus and Scion
13 vehicles from multiple sources, including but not limited to NHTSA, customer
14 complaints, warranty information, Field Technical Reports ("FTRs"), Dealer Product
15 Reports ("DPRs"), and Market Impact Summaries ("MIS's").



1 [REDACTED]
2 [REDACTED]
3 13. [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

7 [REDACTED] Contrary to the statements made by Plaintiffs in their briefing
8 related to choice of law, the decision-making regarding quality issues and what to
9 disclose to NHTSA was done in Japan, not California.

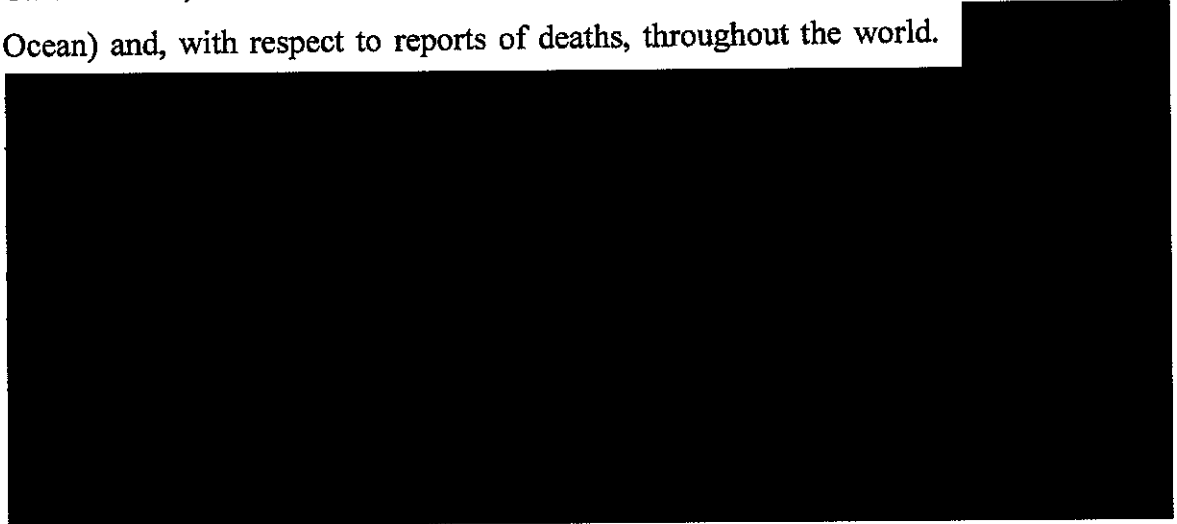
10 **Information Submitted to NHTSA**

11 14. Whenever NHTSA elects to investigate complaints regarding Toyota,
12 Lexus or Scion vehicles, a liaison group within CQE-J in Japan is tasked with
13 developing a response to any specific inquiries made by NHTSA through
14 collaboration with other TMC departments in Japan. During the time period relevant
15 to this litigation, the CQE-J liaison group would develop a response and transmit the
16 response to the Washington, D.C. office of Toyota Motor North America, Inc.
17 ("TMA-DC"), which in turn submitted the information to NHTSA. TMC was
18 ultimately responsible for the investigation of NHTSA complaints and the substance
19 of the response to NHTSA. This was not a California function.

20 15. Most of the information that must be submitted to NHTSA's Office of
21 Defect Investigation (ODI) under the Early Warning Reporting (EWR) regulations
22 involves incidents and events that occurred in the United States. Information about
23 such incidents and events is received by various Toyota affiliates, regional offices,
24 contractors, and independent distributors and independent dealers throughout the
25 United States.

26 16. Toyota's EWR reporting is the result of the combined efforts of TMC
27 and some of its local distributors in the United States (TMS for the continental United
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1 States; TdPR for the Puerto Rico and the USVI; Servco Pacific for Hawaii, and the
2 local distributors for the U.S. territories in the Pacific Ocean). The incidents and
3 events giving rise to the reports occur throughout the United States (the continental
4 United States, Puerto Rico, the USVI, Hawaii and the U.S. territories in the Pacific
5 Ocean) and, with respect to reports of deaths, throughout the world.



14 17. If TMC receives EWR information from TMS, it evaluates those
15 materials and merges them with the EWR materials that it received from other local
16 distributors and those that TMC itself prepared to create a final version of the entire
17 quarterly EWR submission. During the time period relevant to this litigation, CQE-J
18 was responsible for and would send the final version of the submission to TMA-DC,
19 who arranged for the formal submission to ODI.

20 **TMC's Role in Responding to Quality Issues**

21 18. The development of a countermeasure for a quality issue at Toyota is a
22 collaborative process. A countermeasure can include, among other things, an
23 engineering change for factory production, a proposed field repair in a field action
24 (including through, among other things, a customer satisfaction campaign, a service
25 campaign or a vehicle recall), or both.

26 19. Responsibility for engineering changes deployed as countermeasures in
27 factory production related to unintended acceleration (including but not limited to
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1 those based on the ETCS) resides and, in the relevant time period, resided with a
2 number of divisions/departments at TMC in Japan. Generally speaking, the relevant
3 design divisions/departments are and, in the relevant period, were responsible for
4 counter-measures for factory production. During the relevant period CQE-J had the
5 responsibility to consider and decide whether a field action should be taken and what
6 the particular field action should be.

7 20. [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 21. [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

24 22. [REDACTED]
25 [REDACTED]
26 [REDACTED]
27 [REDACTED]
28 [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 23. As Department General Manager for CQE-J, I understand that CQE-J is
10 responsible for drafting all notification documents that are sent to government
11 authorities, including in the United States, related to a decision to recall Toyota, Lexus
12 and Scion vehicles. [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

18 24. During the time period at issue in this litigation, CQE-J made decisions
19 about what needed to be improved or corrected with respect to quality issues through
20 collaboration with other TMC development, design, manufacturing and engineering
21 departments.

22 I declare under penalty of perjury under the laws of the United States of
23 America that the foregoing is true and correct.

24 Executed this 29th day of March, 2011, at Toyota city.

25 北村 肇
26 Hajime Kitamura
27
28

Exhibit 1

Declaration of Satoe Ohari

I, Satoe Ohari, declare as follows:

I am fluent in Japanese and English. I accurately translated the attached Declaration of Hajime Kitamura and read it to the declarant on March 28, 2011 in the United States, which was March 29 in Japan, adding nothing and omitting nothing thereto. The declarant indicated that he understood it and agreed with its contents before signing it.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 28th day of March, 2011, in Torrance.

Satoe Ohari
Satoe Ohari

**ORIGINAL DOCUMENT
FILED UNDER SEAL
[Exhibits 2 and 3]**